



CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

October 20, 2000

H.R. 3069 **Southeast Federal Center Public-Private Development Act of 2000**

As cleared by the Congress on October 17, 2000

H.R. 3069 would authorize the General Services Administration (GSA) to enter into an agreement with a private entity for the purposes of redeveloping the Southeast Federal Center (SEFC) in Washington, D.C. That agreement could take one of many forms, including a lease, joint venture, or limited partnership between the federal government and a private entity. Through such an agreement, GSA could sell a portion or all of SEFC; lease or exchange SEFC property for space, goods, or services, including new construction or physical improvements to existing federal property; or, through a public-private partnership, construct, manage, and lease space in new facilities to federal and nonfederal entities. The legislation would prohibit GSA from providing a federal guarantee for any debt issued as part of an agreement.

Any obligation for GSA to make payments under H.R. 3069 would be subject to funding being provided in advance in appropriation acts.

Under the legislation, GSA could retain and spend any proceeds resulting from an agreement sufficient to recover its costs under the agreement. Finally, GSA could sell some or all of the SEFC property, thus increasing offsetting receipts (a credit against direct spending) from the sale of surplus federal property. Because much uncertainty exists as to whether GSA could find a private-sector partner to redevelop the SEFC and the form such an agreement might take, CBO cannot estimate the budgetary impact of H.R. 3069.

The CBO staff contact for this estimate is John R. Righter. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.